

Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 EA-07 DODE-00 NSAE-00
USIA-06 TRSE-00 ERDA-05 CIAE-00 COME-00 PM-04
NSC-05 SP-02 SS-15 /065 R

DRAFTED BY EB/ITP/EWT - SSGOODMAN:LLB

APPROVED BY EB/ITP/EWT - WAROOT

EUR/NE - NACHILLES

EA/VLC - JROSENTHAL (INFO.)

TREASURY - SSOMMERFIELD (INFO.)

EA/EP - RIMUS

-----190103Z 000031 /21

P 182300Z APR 77

FM SECSTATE WASHDC

TO AMEMBASSY STOCKHOLM PRIORITY

C O N F I D E N T I A L STATE 087071

E.O. 11652: XGDS-1

TAGS: ESTC, SW

SUBJECT: POSSIBLE U.S. SUBSIDIARY TRANSACTION WITH
VIETNAM

1. THOMAS DINEEN AND RALPH EDWARDS, OFFICIALS OF ALLIS-
CHALMERS, REPORTED TO DEPARTMENT THAT ALLIS-CHALMERS'
SWEDISH SUBSIDIARY, SVEDALA-ARBRA HAS BEEN ASKED BY THE
GOS TO SUPPLY TO THEM A SMALL \$150,000 ROCK CRUSHING
AND SCREENING PLANT FOR ONWARD SHIPMENT TO VIETNAM UNDER
SWEDISH GOVERNMENT AID PROGRAM. SVEDALA-ARBRA IS
REPORTEDLY THE ONLY SOURCE OF THIS EQUIPMENT IN SWEDEN
ALTHOUGH COMPARABLE EQUIPMENT IS AVAILABLE FROM
OTHER WESTERN EUROPEAN SOURCES.

2. ALLIS-CHALMERS OFFICIALS BELIEVE THAT THE SUBSIDIARY
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IS BEING TESTED TO SEE WHETHER OR NOT ITS PRIMARY
OBLIGATION IS TO COMPLY WITH USG REGULATIONS. THEY
SPECULATE THAT THE GOS IS EXPECTING THE USG TO DENY
TREASURY LICENSE TO SUBSIDIARY FOR PARTICIPATION IN
VIETNAM PROJECT AND GOS WOULD THEN USE THIS DENIAL AS
AN EXCUSE TO GIVE A MUCH MORE LUCRATIVE CONTRACT
INVOLVING CONSTRUCTION IN SWEDEN OF TWO IRON ORE

PELLETIZING PLANTS VALUED AT \$140 MILLION TO FRENCH OR GERMAN COMPETITORS OF ALLIS-CHALMERS. THAT CONTRACT DOES NOT INVOLVE VIETNAM. THEY BELIEVE THAT THE GOS COULD PURCHASE IN SWEDEN A USED ROCK CRUSHING PLANT, SHIP IT TO VIETNAM, AND NOT INVOLVE U.S. FIRMS WITH TREASURY LICENSE, BUT GOS IS DELIBERATELY TRYING TO PUT U.S. SUBSIDIARY ON THE SPOT AND TO DEMONSTRATE UNRELIABILITY OF DEALING WITH U.S. MULTINATIONAL FIRMS.

3. EMBASSY IS REQUESTED, WITHOUT DISCUSSING MATTER OUTSIDE EMBASSY, TO COMMENT SOONEST ON ALLIS-CHALMERS THESIS AND TO SPECULATE ON EFFECTS OF U.S. DENIAL OF LICENSE TO SVEDALA-ARBRA TO SUPPLY EQUIPMENT FOR SWEDISH AID PROGRAM TO VIETNAM . APPRECIATE REPLY BY APRIL 22.
VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EQUIPMENT, CONSTRUCTION, STRATEGIC TRADE CONTROLS, TRANSACTION CHECKS, FOREIGN ASSISTANCE
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE087071
Document Source: CORE
Document Unique ID: 00
Drafter: SSGOODMAN:LLB
Enclosure: n/a
Executive Order: X1
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Expiration:
Film Number: D770134-0928
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770445/aaaabngh.tel
Line Count: 78
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 19613aa3-c288-dd11-92da-001cc4696bcc
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2771898
Secure: OPEN
Status: NATIVE
Subject: POSSIBLE U.S. SUBSIDIARY TRANSACTION WITH VIETNAM
TAGS: ESTC, SW, US, VN, ALLIS-CHALMERS
To: STOCKHOLM
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/19613aa3-c288-dd11-92da-001cc4696bcc
Review Markings:
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